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## **Got bills? Pay off Christmas debt by this summer**



We're halfway through the year, yet many people across the Valley are still in the holiday spirit.

The Gomez family still has strands of Christmas lights wrapping around their Phoenix home and their artificial tree is still sitting in their living room with twinkling Christmas lights a glow.

Yesenia Gomez said her festive decorations keep her in the holiday spirit. But she admits she over-spent this season and now her credit card bills are dampening her spirit.

"Yes, I over-spent by at least over \$300 worth" said Gomez.

Like many holiday shoppers, Gomez didn't allow a tight economy to stop her from stretching beyond her budget.

"I was not expecting that bill," Gomez added.

ABC15 went to the one man who knows a thing or two about paying off ballooning bills, Arizona State Treasurer, Dean Martin.

"You can get out of any hole," said Martin who gave ABC15 five easy ways to quickly pay off your Christmas bills.

### **1. Make a bill paying plan.**

Write out when your bills are due, and when you get paid. Use old bank statements if you need.

### **2. Pay more than minimums**

Once you know how much you need each week for bills, you know how much extra you have to pay down your cards.

### **3. Cut back on expenses - use it to pay extra on your cards**

a. Cook rather than eating out. Brew your own coffee and save \$4 a cup.

b. If you have a \$3,000 credit card balance at 17 percent interest and pay \$50 a month (minimum) it will take you over ELEVEN years to pay it off and cost \$6,744.

c. BUT if you save \$50 a month eating at home, and pay \$100 towards your credit card, you pay off your debts EIGHT YEARS FASTER! You will save \$2,810!!!!

### **4. Don't Get Burned on "Same as Cash Deals"**

a. Lots of stores had 6 months or 12 months "Same as cash deals" over the Holidays. But the interest still builds from day one, and ALL of it hits you if you don't pay it off before the deal expires.

b. Plan to make equal payments each month to completely pay it off in time.

c. If you bought a \$950 oven with 12 months "Same as Cash", plan for 12 payments of \$80 a month to make sure you never get hit with all those interest charges.

## **5. Stop using your Credit Cards**

a. It's hard to pay down your balance if you are still using your cards.

b. It's easier to stick to your plan if you use cash for your day to day needs. You can see what you have left.

Martin said if you follow these easy savings steps you should have your Christmas bills paid off by this summer so you can start putting away money for Christmas 2009.

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